

*B2a/s*  
communicating an alert to a financial advisor notifying the financial advisor of the blocked order.

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#### REMARKS

Claims 1, 2, 4-6, 9-12, 14-21, 23, and 26-39 were pending in the above-identified application. In response to the September 30, 2002 Office Action, Applicants elected Group I claims 1-28 pursuant to a restriction requirement required by the Examiner. Accordingly, Group II-IV claims 29-39 have been withdrawn from prosecution in the present application without relinquishing any right to further prosecute the subject matter of any and all non-elected claims in another application.

By this Amendment, Applicants have cancelled claims 1-2, 4-6, and 9-12 without admission and without prejudice, amended claims 15, 16, 19, 21, 23, 27, and 28, and added claims 41-64. The amendments to the claims and the newly added claims are supported by the application as originally filed, and do not introduce new matter.

Particularly, claims 15, 19, and 20 have been rewritten where appropriate to refer to "orders to trade" or "trade orders" rather than "trades." Support, for the amendment may be found at page 6, lines 15-21 of the specification, which discloses that clients forward orders to trade financial instruments that are correspondingly received by the system rather than trades. Claim 15 has further been rewritten to recite, "validate orders based on a set of predetermined business rules," and "the business rules designed to limit the client's risk in trading financial instruments." Support for these features may be found at page 6, lines 15-21, and page 12, lines 3-9. Claims 15, 16, 19, 21, 23, 27, and 28 have been rewritten to better define the Applicants' invention.

Support for newly added claims 41, 42, 53, and 54 may be found at page 6, lines 15-26, and page 12, lines 3-9, which discloses a client forwarding an order to trade a financial instrument and the order being received, for example, by the mainframe computer, which validates the order based on business rules designed to minimize a client's risk in equities trading and blocks orders that are not validated. Support for claims 43 and 55 may be found at page 13, line 13 – page 15, line 10, which discloses validating orders to trade based on a start of day balance and/or intraday balances. Support for claims 44 and 56 may be found at page 5, lines 15-31, which discloses placing orders to trade financial instruments in connection with trade wizards. Support for claims 45 and 57 may be found at page 6, lines

22-26, page 7, lines 6-13, and page 13, lines 2-12, which discloses assigning error codes to the blocked order. Support for claims 46 and 58 may be found at page 12, lines 3-9, which discloses account based business rule customization. Support for claims 47, 48, 59, and 60 may be found at page 19, lines 2-16, which discloses transmitting recap orders to the client that allows the client to abort the order or confirm the order by retransmitting the recap order to the system. Support for claims 49, 50, 61, and 62 may be found at page 21, lines 3-16, which discloses forwarding trade orders satisfying validation to the trade system for execution. Support for claims 51 and 63 may be found at page 22, line 11 – page 23, line 4, which discloses alerting the financial advisor regarding client interactions with the system which allows advisors to act in a proactive manner. Support for claims 52 and 64 may be found at page 6, lines 15-26, and at page 13, line 13 – page 15, line 10, as described above.

Furthermore, support for system claims 53-64 which recite the feature “a host computer connected to a client device” may be found at page 5, lines 2-5 and page 7, lines 15. Although the specification does not expressly use the word host to describe any particular one of the computers discussed therein, a host computer is implicitly disclosed since it was understood in the art at the time of the filing of the present application that a host computer generally refers to a computer containing data or programs that can be accessed by another computer, such as a mainframe, a server, or a combination thereof, as described in the specification. Accordingly, entry of the amendments to claims 15, 16, 19-21, 23, 27, and 28, and entry of new claims 41-64, are respectfully requested.

#### Information Disclosure Statement

The Examiner asserted that the “OTHER DOCUMENTS” submitted in an Information Disclosure Statement (IDS) filed on March 29, 2000 have not been reviewed since none were included with the US references. Applicants submit herewith an Information Disclosure Statement including therein the “OTHER DOCUMENTS” cited in the March 29, 2000 IDS as well as a copy of the March 29, 2000 IDS and a copy of the postcard filed therewith indicating that the documents were sent to and received by the USPTO.

#### Objection to Drawings

The Examiner objected to the drawings pursuant to 37 C.F.R. 1.83(a). Applicants submit herewith a set of replacement figures of Figs.1-3, pursuant to the Revised Amendment Format, which include therein labels for the features depicted therein as required by the

Examiner. Particularly, Fig. 1 depicts the following features which have been labeled accordingly: 10 Client Device, 12 Computer Network, 14 Broker Interface/Server, 16 Providing Server, 20 Connecting Server, 18 Mainframe, 24 Advisor Computer, 22 Quote Server, 26 Trading System, and 28 Exchange. Fig. 2 depicts the following features which have also been labeled accordingly: 30 Home, 31 Fund Demo, 32 Trading Demo, 33 Stock Trading Wizard, 34 Trade Center Stock View, 35 Trade Summary, 36 Trade Center Fund View, 37 Fund Trading Wizard, 38 Stock trade Recap, 39 Trade Center Stock Recap, 40 Edit/Cancel, 41 Trade Center Fund Recap, 42 Fund Trade Recap, and 44 Trade-Execution. A formal version of Fig. 3 is also submitted herewith. Appropriately, reconsideration and withdrawal of the objection to the drawings are respectfully requested.

Claim Rejections – 35 U.S.C. § 103

Claims 1-28 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,519,019 (Lewis). Applicants respectfully traverse the rejections, and assert that claims pending in the present application, i.e., claims 15-16, 19-21, 23, and 26-28, and newly added claims 41-64, of the present application are patentable over Lewis for at least the reasons stated below.

Lewis is directed to data processing systems that consolidate and distribute data particularly for use by financial institutions. Col. 4, lines 53. The Lewis system receives data, such as data related to financial transactions, instruments, etc., from disparate systems and sources, converts the data to a common format, consolidates the data, derives information from the data, and consolidates and integrates the data on a database defined according to a financial industry model. Col. 4, lines 54-67. The incoming data or messages are received from one of a variety of source systems, e.g., trading systems, settlement systems, etc, by an Interface Transformation Server that reformats the incoming message into to a system compliant format and passes the reformatted message to the system via a Message Bus. Col. 9, lines 45-59, and Fig. 4. Reformatted messages may then be taken off the Message Bus by one or more information servers that process and store the data according to appropriate business rules for the message. Col 10, lines 6-15. “The business rules define how the contents of the message will alter the previously existing data and information on the database.” Col. 10, lines 17-19.

The Accounting Information Server, for instance, processes incoming messages "according to business rules that instruct the Accounting Information Server how to apply incoming transactions to account balances, exposures, and other second order assessments" to specific ledger entries. Col 9, lines 17-25. For example, a set of business rules may be applied to messages pertaining to executed sales of stock transactions to increase the account holder's cash balance, to reduce the stock position, to increase the commission payable, calculate gain/loss, adjust margin positions, etc. Col. 14, lines 32-39. Similar business rules may be applied to messages pertaining to executed stock purchase transactions. Col. 14, lines 60-67. Simply stated, the business rules drive updates to the financial database based on the content of incoming messages, e.g., messages pertaining to executed trades. Col. 11, lines 4-9.

In contrast the present invention is drawn toward an online trading systems and corresponding methods that apply business rules designed to limit the client's risk in equities trading to orders to trade financial instruments. Particularly, independent claim 15, and claims 16, 19, 20-21, 23, and 26-28 dependent thereon, feature a brokerage interface means connected to a client computer that allows the client to trade financial instruments therewith, a mainframe computer means that is operative to receive orders to trade financial instruments from the client and further operative to validate the orders based on a set of predetermined business rules and calculations, and an advisor computer that allows a financial advisor to monitor and correct errors in orders to trade financial instruments.

Lewis does not disclose or suggest a mainframe computer that is operative to receive orders to trade financial instruments from a client computer operatively connected thereto via a brokerage interface. As noted above, Lewis merely discusses a data processing system that receives data related to financial transactions and not an online trading system by which a client may communicate and the system receive orders to trade financial instruments. Moreover, Lewis does not disclose or suggest a mainframe computer or any host computer that is operative to validate orders based on business rules that are designed to limit the client's risk in equities trading, and to block orders that do not satisfy at least one business rule. The Lewis data processing system receives data related to financial instruments from a trade system as noted at Col. 9, lines 45-59, which in relation to the present invention occurs after validation and after communication of the validated order to a trading system. Thus, since Lewis is directed toward post validation and communication of the order to the trade

system, Lewis does not disclose or suggest any of the claimed validation aspects of the present invention and does not suggest applying any of its aspects in relation to validation. Moreover, the Lewis business rules are not designed to limit a client's risk with regard to equities trading; rather, the Lewis "business rules define how the contents of the message will alter the previously existing data and information on the database," consistent with the data processing aspect of Lewis.

The Examiner asserts that Lewis discloses an-online trading system with business rules that allow a client to trade financial instruments. Applicants respectfully disagree with the Examiner. As noted above, Lewis provides a financial data processing system. Although the Lewis system may receive data related to financial transactions from stock trading systems, the Lewis system does not allow a user to post orders to trade financial instruments. Rather, Lewis merely processes transaction data (post communication to a trade system) and updates the financial database accordingly to reflect the transaction data.

Additionally, Lewis does not disclose or suggest an advisor computer that allows a financial advisor to monitor and correct errors in the orders. The Examiner, however, asserts that it would have been obvious to one skilled in the art to provide an advisor computer to Lewis based on a well-known client/financial advisor relationship. Applicants respectfully disagree on this point as well. As noted above, Lewis is directed toward post validation and post communication of the orders to a trade system data processing. Thus, it is not obvious to provide an advisor interface to the Lewis system that allows a financial advisor to monitor and correct trade orders prior to communicating orders to a trading system particularly because orders to trade financial instruments must typically be cancelled once transmitted to the trade system and are thus not correctable. Accordingly, applying such a financial advisor interface to Lewis would be fruitless and thus not obvious. Finally, although the client/financial advisor relationship may be known with regard traditional brokerage relationships, also well known are the high fees associated with trading in connection with a financial advisor which has fueled the popularity of low cost online trading and the associated day-trading. See *Being Seen, "Online Stock Brokers: The Essential Internet Investor,"* <<http://besseen.com/stocks/brokers.html>>. In order to account for the lower per transaction trading revenue from online transactions, online brokerages have minimized and some have essentially eliminated financial advisor interaction from the transaction. Additionally, many online traders, particularly day-traders, prefer the do-it-yourself aspect of online trading. See

Trading Direct, "About Trading Direct,"

<<http://tradingdirect.com/YOR/homefrontformat.html>>. Thus, the financial advisor relationship with respect to online trading teaches away from the financial advisor interface and the claimed level of interaction available to the advisor, for example, with the advisor interface.

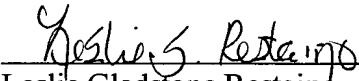
Independent claim 41, claims 42-51 dependent thereon, and independent claim 53, and claims 54-63 dependent thereon, are drawn toward online trading methods and systems, respectively, that feature receiving an order to trade at least one financial instrument from a client, validating the order by determining whether the order satisfies at least one business rule that is designed to limit the client's risk in equities trading, and blocking the order to trade the financial instrument if the order does not satisfy a business rule. As explained above, Lewis is not directed to transactions occurring prior to validation and prior to communication of orders to trade financial instruments to a trading system, and thus does not disclose or suggest an interface for a user to post orders to trade financial instruments and validating orders based on business rules designed to limit the client's risk in equities trading. Consequently, Lewis does not further disclose or suggest blocking orders based on the business rules.

Independent claims 52 and 64 are further drawn toward online trading methods and system that feature calculating a start of day balance and/or an intraday balance, validating the order based on a business rule that is based on either the start of day or intraday balance, and communicating an alert to a financial advisor regarding the blocked order. Lewis does not further disclose or suggest such features.

The dependent claims are patentable for additional reasons. While deemed unnecessary to argue these additional reasons at this time, given the arguments presented above, the Applicants reserve the right to present such arguments should it become necessary or desirable to do so.

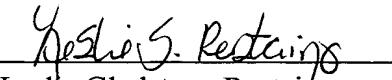
For the above reasons, Applicants submit that their invention as claimed is patentable over Lewis. Accordingly, reconsideration and allowance of pending claims 15-16, 19-21, 23, 26-28, and 41-64 1-8 is therefore respectfully solicited.

Respectfully submitted,

  
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Since the documents listed in the Citation List were submitted previously prior to the first office action on the merits, Applicants request that the Examiner accept the IDS without the fee set forth in 37 C.F.R. 1.17(p). Otherwise, the Examiner is authorized to charge \$180.00 fee for the submission of an IDS as well as any deficiency or credit any overpayment to Deposit Account No. 50-2312.

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